

Message Text

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ACTION PM-05

INFO OCT-01 EA-10 ISO-00 CIAE-00 INR-10 NSAE-00 AID-05

OMB-01 TRSE-00 /032 W

-----110183 250753Z /13

P 250732Z MAY 78

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 6253

INFO SECDEF WASHDC PRIORITY

CINCPAC HONOLULU HI PRIORITY

CHJUSMAGPHIL MANILA RP PRIORITY

C O N F I D E N T I A L MANILA 08671

E.O. 11652: GDS

TAGS: MASS, RP

SUBJECT: FY 1978 FMS FINANCING (FMSCR)

REF: (A) STATE 120316, (B) MANILA 1852

1. JUSMAG HAS RECEIVED A LETTER FROM GOP SECRETARY OF NATIONAL DEFENSE ENRILE DATED 24 MAY 1978 WHICH ADVISES IN PART: "I WISH TO INFORM YOU THAT THE CHIEF OF STAFF, AFP RECOMMENDED THAT THE MAJOR MILITARY EQUIPMENT WHICH THE AFP PLANS TO PROCURE TO BE SUPPORTED BY FMS CREDIT FINANCING ARE THE FOLLOWING, IN THIS ORDER OF PRIORITY, AND SUBJECT TO THE CONFIRMATION OF THE PRESIDENT:

- 1. THREE (3) UNITS PATROL SHIP MULTI-MISSION (PSMMS)
 - 2. ADDITIONAL ARMORED INFANTRY FIGHTING VEHICLES
 - (AIFVS). THE QUANTITY CANNOT BE DETERMINED
 - AT THE PRESENT TIME BECAUSE IT HAS RELEVANCE TO
 - THE FINAL AMOUNT FOR THE FIRST ITEM (PSMM).
 - 3. ADDITIONAL C-130H AIRCRAFT (SAME COMMENT AS AIFVS).
- LIKEWISE, THE SAME ITEMS AND PRIORITY ORDER ARE RECOMMENDED IN THE UTILIZATION OF THE \$10.2 MILLION BALANCE FROM THE FY 77 FMS CREDIT."

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2. WE DO NOT ANTICIPATE THAT PRESIDENT MARCOS WILL DISAPPROVE THE USE OF THE FY 78 FMSCR AS DESCRIBED ABOVE SINCE ALL THREE ITEMS CITED WERE THE BASIS OF THE FIVE-YEAR AFP FMSCR PLAN THAT HE APPROVED IN 1977. THE AFP PLAN INCLUDING JUSTIFICATIONS AND RATIONALE WAS FORWARDED TO SECDEF (DSAA) BY JUSMAG MESSAGE 190530Z AUG 77.

SECDEF (DSAA) MESSAGE 072242Z OCT 77 APPROVED THE USE OF FY 77 CREDIT TO SUPPORT THE AFP'S PLAN AND SAID THE USE OF FUTURE YEAR CREDITS FOR PAYMENT OF THE THREE ITEMS WAS SUBJECT TO THE AVAILABILITY OF FUNDS.

3. TO DATE THE AFP HAS UTILIZED THE \$20.0 MILLION OF FY 77 AS FOLLOWS:

- A. \$.2 MILLION AS FINAL PAYMENT ON THE AFP'S THIRD
- C-130H AIRCRAFT.

- B. \$9.6 MILLION FOR 45 EACH ARMORED INFANTRY FIGHTING
- VEHICLES AND SIX EACH AIFV SERIES RECOVERY
- VEHICLES. REMAINING CONTRACT BALANCE IS APPROXI-
- MATELY \$4.8 MILLION.

- C. \$10.2 MILLION UNUSED BALANCE REMAINS WHICH DOES
- NOT HAVE TO BE DISBURSED UNTIL 30 SEP 79.

4. RECOMMEND RELEASE OF THE FY 78 FMSCR LOAN AGREEMENT TO THE PHILIPPINE EMBASSY IN WASHINGTON TO SUPPORT ACQUISITION OF THE EQUIPMENT CITED ABOVE. TOUSSAINT

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Message Attributes

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